COMMUNICATIONS
CORPORATION

201 N. Union St. Suite 410
Alexandria, VA 22314-2642
Tel (703) 518-5073
Fax (703) 518-5074

September 12, 1995

VIA HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

Re: Comments on FCC Notice of Proposed Rulemaking on Telephone Number Portability, CC Docket No. 95-116

Dear Mr. Caton:

Enclosed please find for filing an original and four copies of GO Communications Corporation's comments on the FCC's Notice of Proposed Rulemaking on Telephone Number Portability (CC Docket No. 95-116), released July 13, 1995. We have also enclosed a file copy which should be stamped and returned to the courier.

If you have any questions regarding this filing, please contact the undersigned at (703) 518-4302.

Sincerely,

Leo R. Fitzsimon

Enclosures

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington. D.C 20554

In the Matter of	)	
	)	
Telephone Number Portability	)	CC Docket No. 95-116
	)	
	)	

COMMENTS OF GO COMMUNICATIONS CORPORATION CONCERNING TELEPHONE NUMBER PORTABILITY

GO COMMUNICATIONS CORPORATION

John A. Malloy, Esq.
Vice President and
General Counsel

Leo R. Fitzsimon, Esq.

GO Communications Corporation
201 North Union Street, Suite 410
Alexandria, Virginia 22314
(703) 518-5073

September 12, 1995

SUMMARY

In *Telephone Number Portability*, Notice of Proposed Rulemaking, CC Docket No. 95-116, FCC 95-284 (July 13, 1995) ("NPRM"), the Commission requested comments on various telephone number portability proposals.

GO Communications Corporation ("GO") strongly believes that telephone number portability is a necessary condition for competition in the provision of local telephone service and such competition will provide consumers with lower costs and a wider variety of telecommunications services than they presently receive. GO urges the Commission to take an active role in mandating as expeditiously as possible, a uniform national number portability plan.

In the NPRM, the Commission discussed three types of telephone number portability; service provider, service and location portability. The efforts of the Commission should be focused on the development of service provider portability. The benefits of service provider portability dwarf the benefits of either service or location portability by more than a factor of one hundred on either a customer or traffic basis of measurement. The Commission's and the industry's resources should be focused on where they can have the biggest benefit to consumers.

The Commission described four different proposals for a long-term portability solution. GO would support the development of either the MCI Metro, Stratus/U.S. Intelco or the AT&T plan, as each of these plans would employ an advanced database and would support advanced features while providing for true number portability.

The plan itself must include both a phased approach as well as direct the development of a long term portability solution. Prioritization of interim portability measures managed to specific target dates will ensure the timely development of truly competitive markets. GO suggests that service provider portability be mandated on a local basis on a rolling plan set to cover the major metropolitan areas no later than January 1, 1997. By setting this certain date for the provision of portability, the Commission would prevent the inevitable delay tactics which would be employed by the LECs and others who oppose portability.

In order to take the actual proposal from the theoretical stage to the point where it can be implemented by the Commission and the telecommunications industry, GO has proposed a plan to provide schedule and incentives and penalties for the implementation of number portability following a mandate by the Commission.

The plan itself must include both a phased approach as well as direct the development of a long term portability solution. Prioritization of interim portability measures managed to specific target dates will ensure the timely development of truly competitive markets. GO suggests that service provider portability be mandated on a local basis on a rolling plan set to cover the major metropolitan areas no later than January 1, 1997. By setting this certain date for the provision of portability, the Commission would prevent the inevitable delay tactics which would be employed by the LECs and others who oppose portability.

CONTENTS

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Telephone Number Portability	)	CC Docket No. 95-116
	)	
To: The Commission	)	

COMMENTS OF GO COMMUNICATIONS CORPORATION
CONCERNING TELEPHONE NUMBER PORTABILITY

GO Communications Corporation ("GO") hereby submits its response to the Commission's *Notice of Proposed Rulemaking*, FCC 95-284 (July 13, 1995) ("NPRM") in this proceeding.

I. INTRODUCTION

In the NPRM, the Commission sought comment on various proposals to implement telephone number portability after tentatively concluding that telephone number portability "benefits consumers of telecommunications services and would contribute to the development of competition among alternative providers of local telephone and other telecommunications services."[1] GO agrees with the Commission's tentative conclusion and offers the following comments on the number portability proposals which have been put forth by various parties.

II. DISCUSSION

A. Portability for Geographic Telephone Numbers

GO believes that portability for geographic telephone numbers and especially service provider number portability will enhance the ongoing efforts of the Commission to bring greater

[1] *Telephone Number Portability*, Notice of Proposed Rulemaking ("NPRM"), CC Docket No. 95-116, FCC 95-284 ¶ 7 (July 13, 1995)

competition and more consumer choice to the telecommunications industry. In particular, geographic telephone number portability will significantly enhance competition in the local telephone market. GO also agrees that the Commission should assume a leadership role in the development and maintenance of number portability At this point the exact role of the Commission in the development of number portability remains unclear. What is clear, however, is that some authority is needed to ensure that whatever number portability solution is developed by the industry, that it be a uniform, nationwide standard which is long-term and serves to promote competition and customer choice. As mentioned in the NPRM, there are numerous number portability trials being conducted in several states.[2] While the merits of these trials will be addressed later in this comment, GO urges the Commission to eventually mandate an industry standard. Without such a standard, the long-term goals of number portability cannot be realized.

The recent trend in the telecommunications industry has been to move towards competition in the local telephone market. The Commission, the states, the courts and the Congress[3] have all called for an increase in competition at the local level as a key to providing consumers more telecommunications choices at a lower cost.[4] The timely development of an

---

[2] Id. at ¶¶ 14-16.

[3] In order to provide for competition in the local telephone market, Congress is considering legislation which would require LECs to make interim portability available to any carrier in connection with any interconnection agreement and would require long-term portability to be made available as soon as the Commission determines that it is technically feasible. See S. 652, 104th Cong., 1st Sess. § 307 (1995) and H.R. 1555, 104th Cong. 1st Sess. § 242 (1995).

[4] The effects of increasing competition on rates can be seen in the decrease of some long distance rates following Equal Access. See "Trends in Telephone Service", Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission (February 1995), p. 11. The salutary effect of equal access on the growth of the long distance industry can also be seen in the aggregate expansion of the long distance toll service industry during the decade following equal access Id. at 45.

effective system of number portability will be an integral ingredient in creating this truly competitive environment in the local telephone market.[5]

1. Service Provider Number Portability

As stated in the NPRM, the "competitive importance of service provider number portability depends primarily on the value that customers assign to their current telephone numbers."[6] GO asserts that for both residential and business customers, the value attached to an existing telephone number is very high. For a new entrant into the local telephone market, service provider portability will be an extremely important factor in gaining new customers. As competition increases in the local telephone market, with the resulting lowering of prices and increased commmoditization of features, it would be very difficult to gain new customers if those customers were forced to endure the inconvenience and expense of changing their telephone numbers.[7]

Service provider number portability will be significantly more important to the development of competition and provision of consumer choice in the local telephone market than any other type of portability discussed in the NPRM It will help to level the playing field between the entrenched monopoly providers of local telephone service and new entrants, such as GO, who will be offering new services and choices to existing wireline and wireless telephone customers. While GO is certain that its combination of services and price will attract a critical number of new subscribers, it is also certain that a significant number of existing customers will

---

[5] As further discussed in this Comment, GO believes that a priority of development in number portability is necessary to create a truly competitive local market.

[6] NPRM at ¶ 22. The percentage of customers who would not switch to a new service provider if they were forced to change their telephone numbers is indeed significant. New competitors would be at a huge competitive disadvantage if even as few as one third of existing LEC customers would not consider switching carriers if they had to change telephone numbers.

[7] Business customers may be even less inclined to change service providers in the absence of number portability, due to the expenditure of significant resources in having their telephone numbers published in various advertising media.

not be willing to switch to a new provider if doing so means having to endure a change in their telephone number. Without service provider number portability there cannot be true and fair competition.[8]

As local networks are developed to accommodate service provider portability, each service provider will be able to provide for service portability and thus GO does not view service portability as an industry concern which the Commission needs to mandate. With regards to location portability, GO urges the Commission to recognize the tremendous technological issues associated with location portability and not to allow its development to delay the implementation of service provider portability.

B. The Commission's Role in Number Portability

The development of number portability will not be in the short term business interests of many existing providers of telecommunications services The monopoly local exchange carriers (LECs) are most likely to oppose the development of a system which will have as one of its primary goals the ability to take customers away from those very same companies.[9] In order to have a truly level playing field in the area of local telephone service there must be service provider number portability. As described above, number portability will have a significant pro-competitive effect on the local telephone industry in keeping with the Commission's goals of

---

[8] The potential competitive effect of service provider portability can be seen in the rapid growth of 800 numbers after 800 number portability was implemented in 1993. According to the FCC, the total of telephone numbers assigned for 800 service has nearly doubled in the first two years of 800 number portability, from around 3 million to 5.7 million. See "Trends in Telephone Service", Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission (February 1995), p. 26.

[9] Pacific Bell has commissioned a study which concluded that number portability is not that big an issue for residential and commercial customers. See Telecommunications Reports, August 21, 1995, p. 4. Rather, argues Pac Bell and other incumbent LECs, the total package of service and price combined with name recognition will win over customers for new competitors. This argument ignores the reality that any restraint on a new competitor's ability to gain market share could be fatal to that competitor's chances for survival. It should not be forgotten that service provider number portability is a two-way street. While existing providers initially will lose some customers to new competitors, number portability will allow them to regain those customers by offering better and less expensive services than their new competitors. This is a classic pro-competition and pro-consumer situation

increasing competition and customer choice in the telecommunications industry. Thus the Commission has a real interest in mandating nationwide number portability.

Because number portability will not be in the business interests of many of those entities which now comprise the market for local telephone service, market forces will not be sufficient to create nationwide number portability. It is difficult to imagine those companies moving on their own initiative to create something which would contribute to a more competitive market and at the same time erode their existing monopoly advantages. Just as market forces would not have been sufficient to bring about Equal Access or 800 number portability, they will not be sufficient to bring about number portability. A regulatory mandate is needed to overcome the self-interests of those who now make up the market

GO agrees with the Commission's tentative conclusion that it has a significant interest in promoting a uniform national system for number portability. A uniform nationwide system would be most advantageous for all consumers, less costly, more efficient for all carriers and would promote the conservation of limited network numbering resources.

GO urges the Commission to mandate number portability by certain dates, focusing first on the development of geographic service provider portability. This is the only way to ensure that companies whose own self interests may be negatively impacted by number portability will be motivated to cooperate. The plan itself must include both a phased approach as well as direct the development of a long term portability solution. Prioritization of interim portability measures managed to specific target dates will ensure the timely development of truly competitive markets. For example, service provider number portability for geographic numbers could be implemented in the relatively near future. GO suggests that service provider portability be mandated on a local basis on a rolling plan set to cover the major metropolitan areas no later than January 1, 1997. By setting this certain date for the provision of portability, the

Commission would prevent the inevitable delay tactics which would be employed by the LECs and others who oppose portability.

C. Longer-Term Number Portability Solutions

The NPRM outlines several proposed long-term number portability solutions, each of which is discussed below. It is worth noting that all of the solutions which are outlined in the NPRM will require substantial modifications to the switching software and each will require a major database to be established. In evaluating the strengths and weaknesses of each of the proposed long-term solutions the Commission should consider the respective costs of each system in relation to the anticipated benefits of each system.

GO does not specifically endorse any of the proposed long-term number portability solutions at this time. Go would support the development of the MCI Metro, Stratus/U.S. Intelco or AT&T plans as long as they would provide for service provider portability in an expeditious manner, employ advanced network infrastructure, support advanced CLASS features, employ an advanced database architecture and be open to all users at the lowest possible cost. GO considers these to be crucial requirements to the creation of a workable, fair and pro-competitive portability environment.

While GO does not specifically endorse any long-term solution at this time, it cannot support the proposal from GTE. GTE proposes to implement number portability by requiring customers to change, on a one-time basis, their telephone number to, for example a 700 or 500 number. This plan would do nothing to enhance local competition as it would not allow new entrants in the local market to gain customers without overcoming a significant hurdle; the customer having to change its telephone number. This makes the GTE proposal contrary to the whole idea of number portability. As several studies and surveys have shown, telecommunications consumers in general, and especially business customers, would be reluctant

to switch service providers if such a switch required them to change their telephone numbers.[10] It is interesting to note that the largest beneficiary of this "portability" proposal would be none other than GTE. As one of the largest local service providers, GTE would stand to lose less customers to new competitors in the local telephone market if those customers were required to change telephone numbers in order to switch service providers. GO does not support GTE's self-serving proposal as it does not encompass service provider portability, which is essential to create true local competition.

D. Geographic Scope of Number Portability

The proper initial geographic scope for number portability should be the current local rate area with an exception for "foreign exchange" or "FX" service which is available today for an extra fee based on mileage. The local rate area is the basis of the present LECs' originating billing and for billing of terminating calls. New competitors may choose to institute large, extended calling areas for certain service classes as the current LECs do today; however, terminating billing presents another problem. For example, a call from San Francisco, CA to an Alexandria, VA rated customer (NPA + NXX) would be billed differently from a call from San Francisco, CA to Woodbridge, VA. For this reason, area code wide, regional or national scope portability will be much more difficult to implement expeditiously. Under the AT&T, MCI and Stratus plans, the database architecture would be flexible enough to accommodate these and other billing and tracking problems.

E. Interim Number Portability Measures

If the Commission acts quickly to mandate that service provider portability be implemented by January 1, 1997, interim portability measures will not be necessary to allow new entrants to compete for incumbent LEC customers. If, however, portability is not implemented

[10] NPRM at ¶ 22.

by such a date, the tremendous disadvantages of these interim measures must be acknowledged. Presently, LECs are providing remote call forwarding ("RCF") and direct inward dialing ("DID") services and these services could conceivably be used as interim number portability measures. We do note, however , that each of these suggested interim measures has severe technical and economic inefficiencies which dictate that these measures should be employed for the shortest time period possible until a true number portability system becomes operational. These inefficiencies include double switching of calls (leading to a severe strain on the LEC's networks), a sound transmission quality penalty and the inability of these interim measures to support many advanced CLASS services, putting new entrants who must rely on these interim measures at a real competitive disadvantage.

This nation's present telephone network was never intended to deal with the needs of number portability. The negative impact on the network could be enormous if number portability via Call Forwarding or Route Indexes is implemented on a large scale. The costs to cover the inefficiencies associated with double switching of calls must ultimately be borne by all telephone users.[11] GO urges, therefore, that these interim arrangements be employed for the shortest possible time (if they are needed at all) until they are replaced by an advanced database number portability solution.

III. IMPLEMENTATION OF A NUMBER PORTABILITY PLAN

While the NPRM discussed many of the technical aspects of the portability debate, little mention was made as to how portability will actually come about and how the industry will set

[11] These inefficiencies are in addition to the actual costs of interim portability measures such as RCF. As mentioned in the NPRM, some LECs are providing these services to competing service providers at a cost of $2-$4 per line. NPRM , ¶ 56. This significant cost is another reason why interim measures should be employed for the shortest time possible. As described in Section III of this Comment, these costs could be reduced if the LECs do not cooperate according to a set schedule in implementing number portability.

schedules for cutover to number portability by the LECs. As discussed elsewhere in this Comment, the LECs will likely be intransigent in the development of number portability. This will certainly be the case if portability is not mandated and will likely be the case even if there is regulatory mandate requiring portability. GO proposes the following measures to overcome this reluctance to cooperate and to provide incentives for the development of portability following a mandate by the Commission.

As a first step, the Commission should decide who should actually determine the specific cutover schedule for local number portability. For example, in the case of 800 number portability, the Commission set an overall time standard and grade of service requirements and the LECs proposed specific implementation schedules. The Commission also encouraged issues to be resolved through bilateral negotiations between carriers as well through industry fora. As a general matter, GO would support an approach that: 1) encompasses an overall time schedule from the Commission and 2) a mechanism that allows industry participants to reach specific cutover schedules and associated interconnection arrangements within the Commission's overall schedule.

Second, the Commission should implement a series of incentives and penalties to encourage the rapid implementation of number portability. For example, if the Commission mandated call forwarding as an interim solution, the Commission could mandate that the cost of call forwarding would decrease for each year that true number portability was delayed after a date set by the Commission in its mandate. The Commission could also set a schedule for number portability cost recovery whereby the number of years for cost recovery by the LECs would be reduced if number portability is developed prior to a date set by the Commission. For

each year past a date set by the Commission, the number of years for cost recovery for the LECs would increase for each year that number portability was delayed.

A simple mandate from the Commission may not be sufficient to motivate the LECs to cooperate in the development of a number portability system. Concerns about technical capabilities and cost recovery by the LECs could be used to delay and drag out the development of number portability. These measures would provide a concrete framework and incentives for all parties to cooperate in the development of number portability.

IV. CONCLUSION

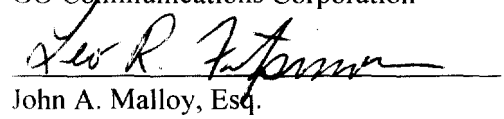
GO believes that the implementation of number portability is essential to realize the Commission's goals of enhancing competition and providing more consumer choices in the telecommunications industry. The Commission has a significant interest in the development and implementation of a uniform and nationwide number portability plan. Due to the conflicting interests of the parties involved, number portability will have to be mandated and any number portability plan and the number portability database should be administered by a neutral third party organization. While total number portability (service, service provider and location portability) is a desirable long-term goal, service provider portability should be the first priority as it will lead to enhanced competition by allowing new entrants in the local telephone markets to compete with incumbent LECs on a more equal footing. In order to actually implement a system of number portability, GO urges the Commission to adopt and specific target schedules and a framework of incentives and penalties associated with those schedules.

GO recognizes the complex nature of the issues presented by number portability. Because of the importance of portability to competition, however, these issues must be overcome

through industry cooperation and with the guidance of the Commission.

Respectfully Submitted,

GO Communications Corporation

By: 

John A. Malloy, Esq.
Vice President and
General Counsel

Leo R. Fitzsimon, Esq.

201 N. Union Street, Ste. 410
Alexandria, Virginia 22314
(703) 518-5073

September 12, 1995